PROF. K. K. TEWWARY: The question was rather vague. I would like to be clarified.

PROF. M. PALANIYANDI: In some public sector undertakings they have not implemented the arbitration awards properly and only because of that there has arisen the labour trouble.

PROF. K. K. TEWARY: I think you will also agree with me that for this broad question, sweeping question, I need a separate notice.

MR. CHAIRMAN: You invited the trouble. You said because of the labour trouble it is not there.

SHRI VITHALBHAI MOTIRAM PATEL: Of the nine units which are the units making profits and which are the units making losses and what are the total profits and losses of the Cement Corporation of India?

PROF. K. K. TEWARY: As is clear from my reply, the overall loss in the Cement Corporation of India during 1983-84 was about Rs. 1 crore: in 1985-86 it rose to Rs. 12 crores and in 1986-87 it may come to Rs. 18 crores. This is the overall loss suffered by the Cement Corporation of India. We are trying to improve the situation so that we could cut on the losses.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Thanks to the policy of the Government, there is availability of cement in the open market. There is no difference of opinion on that. There is increased production. But Sir, certain units in the cement industry which are making profits and paying dividends to the shareholders are getting concessions from the Government because you are giving concessions to the sick units. I would like to know whether the Government is aware of this fraud committed in the name of the sick units. Will the Government come forward to take action against those units which are making profits and yet which are getting Excise duty concessions from the Government?

MR. CHAIRMAN: No. The quesion is not relevant. Yes, next Question. Question No. 63. Mr. Kalpnath Rai.

New Drug Policy

*63. SHRI KALPNATH RAI:†
SHRI MAHENDRA PRASAD:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have formulated a new drug policy recently;

(b) if so, what are the details thereof;

(c) whether the new drug policy contains any special provisions in respect of essential life saving drugs; and

(d) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH): (a) and (b) Government have announced certain measures for rationalisation, quality control and growth of pharmaceutical industry in the country in December; 1986. A copy of the measures is enclosed [*See* Appendix CXLI, Annexure No. 16].

(c) and (d) The new measures aim at ensuring abundant availability on a continuous basis at reasonable prices of essential life-saving prophylactic medicines of good quality.

SHRI KALPNATH RAI: Sir, I would like to know whether it is a fact that the price decontrol has been proposed to be extended in the policy statement. I would also like to know from the honourable Minister how the prices of medicines will be maintained or reasonably increased while in the past the prices of medicines exempted from price control went up by a hundred to 300 per cent and even 500 per cent in some cases.

†The question was actually asked on the floor of the House by Shri Kalpnath Rai.

SHRI R. K. JAICHANDRA SINGH: Sir, as the policy statement which we have annexed to the main question shows, earlier to bringing out these measures in December 1986, we had three categories and those drugs which were coming under the erstwhile categories were price-controlled. The new measures suggest that we would be having only two categories, that is, Category I, which consists of drugs that will go into the national health programme, and Category II, which would consist of drugs which are of an essential nature and a list of those drugs would be drown up as early as possible. For this an expert committee has been appointed and the mark-up which we now call as the MAPE live the maximum post-manufacturing expenses which is 75 per cent for Category I and for Category II 100 per cent.

SHRI VISHVJIT PRITHVIJIT SINGH: What about those drugs which are not in these Categories?

MR. CHAIRMAN: You will get your chance.

SHRI R. K. JAICHANDRA SINGH: You will get your chance. Place wait. Sir, the Hathi Committee has said that we should have a more effective control. Earlier we were having a lot of drugs under price control without having any controls. We had about 300 to 400 bulk drugs and we had a number of formulations running into thousands and thousands for which the Department had to take up price control measures. As a result, there were a number of delays and from the side of the industries a number of requests had come stating that there were unnecessary delays on account of this and that they should be removed. Therefore, we had thought that there would be more effective control by reducing these delays and we would be having better control on this. As for the decontrolled items, naturally, Sir, as I said earlier, there will be many more items now which will be decontrolled and we have introduced something which was not there in the earlier policy. The earlier policy did not have any price monitoring mechanism and that means that the drugs which are not in the erstwhile Categories I, II and III, that is, those belonging to Category IV or uncategorised drugs did not have to be controlled at any point of time. Now, Sir, these new measures suggest that we would be having a monitoring mechanism and these drugs which are not price-controlled would at any point of time be brought into the essential category if we think that it is the interest of the nation and also in the interest of the consumers.

MR. CHAIRMAN: Yes, Mr. Kalpnath Rai, please put your second supplementary.

SHRI KALPNATH RAI: I would like to know from the honourable Minister whether it is a fact that in the past the drug industry concentrated more on producing non-essential medicines which were in the decontrolled list due to high profitability of these medicines. Will the honourable Minister throw some light on the measures now proposed to discourage such production when more medicines will be out of the price control as proposed in the policy statement?

SHRI R. K. JAICHANDRA SINGH: What is essential and what is not essential is a matter of subjective satisfaction. Some particular drug may be very essential to me, which may not be essential to some other Members. For example, a cardio-vascular drug may be essential to some one suffering from this. That is why a list of essential drugs is to be drawn up by the Expert Committee and they will take about two month's time.

SHRI V. GOPALSAMY: I would like to know whether it is a fact that under the new categorisation some drugs which were essentially kept for the public sector undertakings will now be opened for foreign companies. If so, what are the drugs and for what reason they have been opened?

SHRI R. K. JAICHANDRA SINGH: Earlier we had reservation for seventeen drugs for the public sector. Now we have taken out two item from that i.e. penicillins and the polio vaccines. During 1984-85 the amount of foreign exchange that we had to spend for import of penicillins

was about Rs. 24-25 crores. A lot of money was being spent for procuring these medicines. Therefore, even though taking into account the increase in production by the public sector, there will still be a very big gap left between what can be produced by the public sector and what the country needs. Therefore, we have taken up a perspective view of these that unless we open this to other sectors — the wholly Indian sector and also the FERA companies to go in production for such important items — there will be still a shortfall and a lot of money is going to be wasted on this. Same is true of polio vaccines. We need thousands and thousands of ampoules in the country. We are not producing any polio vaccine except that there was an attempt made in Maharashtra in the Halfkine Institute where production has still not commenced. That is why we are opening this.

SHRI VISHVJIT PRITHVIJIT SINGH: I would like to referred to the document which the hon. Minister has produced for us and which he orally calls 'the policy document', but which he categorically referred to on the cover as 'Measures for Rationalisation, Quality Control' etc. He does not call it a policy document here, though he orally calls it a policy document.

I would refer to para 6.51 which refers to de-licensing. There he refers to four criteria which he has laid down for de-licensing. When de-licensing was introduced in the past I had made quite an issue of the fact that no criteria had been laid down and that drugs had been included for de-licensing without any proper norms or criteria. Now that the norms are there, I would like to know from the hon. Minister whether he is going to review the list of drugs which were already de-licensed earlier at the time when no norms which there. And following the norms which have now been laid down, will any drugs which do not fall under these norms be taken out of the ambit of the de-licensing or not?

SHRI R. K. JAICHANDRA SINGH: At the moment we do not have any scheme to reconsider what has been delicensed. But the norms which will apply to the drugs, will surely apply to them.

MR. CHAIRMAN: He says these norms will apply in respect of the drugs.

SHRI DIPEN GHOSH: Sir, you are aware that there was a Hathi Committee which made a number of recommendations about the drug policy to be followed by the Government of India. There was another drug policy which was presented in the form of a Statement in 1978 in Parliament. Though the Hathi Committee had made certain recommendations, which included, among other things, nationalisation of all multi-national companies operating in the manufacture of pharmaceuticals and bulk drugs to give impetus to the indigenous sector for manufacturing these things, the 1978 policy had changed that thing, but, however, it had certainly made a tilt in favour of the indigenous sector for manufacturing all these things and particularly about the pricing of the essential drugs. I may recollect that the Minister of Chemicals once had assured this House that when a new drug policy was formulated the major recommendations of the Hathi Committee will be tataken care of and there will be no major changes or reversal of the earlier policy.

MR. CHAIRMAN: Quesion please.

SHRI DIPEN GHOSH: I have gone through the new policy and I find that this policy does not corroborate the Minister's statement or the assurance given here. I would like the hon. Minister to kindly tell us in what respects this new policy conforms to the earlier policy, particularly to the Hathi Committee report in the matter of putting restricions on mulinational corporations operating in this field.

SHRI R. K. JAICHANDRA SINGH: As our friend Mr. Vishvjit Prithvijit Singh said, it is a measure for rationalisation of quality control and for growth. It is not a new policy document. I have already stated very clearly that these measures have been taken largely on the report of the Hathi Committee which was

prepared in 1975. In 1978, an attempt was made to bring out a drug policy also based on the Hathi Committee recommendations. We have stated in these policy measuring that we have seen the working of the 1978 policy document and we find that there are certain areas where we need to improve and that is why we have made a review. The basis is the Hathi Committee report. The Hathi Committee has said that there must be abundent availabiliy of drugs at reasonable prices. Then ratio parameters were applied to multi-national and FERA companies. For every bulk drug they were allowed to produce, the ratio parameter was 1 : 5 in the 1978 policy. The present new policy suggests that it will be reduced to 1 : 4. Therefore, we have taken a more stringent view. The Hathi Committee did not suggest any ratio parameters.

SHRI DIPEN GHOSH: The Hathi Committee suggested nationalisation of multi-national companies.

SHRI R. K. JAICHANDRA SINGH: It did not suggest that the multinaional companies should be naionalised. There is one correction to my answer earlier with regard to production of penicillin. It is also open to the FERA companies. It is open to the Indian sector.

श्री चतुरानन मिश्र : सभापति महोदय, अभी हाल के वर्षों में सरकार ने कई सुविधाएं दी हैं जैसे, डिलाइसेंसिंग किया है और दूसरी सुविधाएं भी दी हैं, इसलिए मैं यह जानना चाहता हूं कि सरकार की इस नीति के चलते क्या दवाओं की कीमतें गिरी है या पहले से कम हुई है? दूसरी बात मैं यह कहना चाहता हूं कि जो एडवान्स्ड कन्ट्रीज हैं, जहां पर ये दवाएं बनाई जाती हैं वहां पर इनके दाम कम हैं, लेकिन हमारे देश में इसके दाम ज्यादा है ? क्या सरकार को इस संबंध में जानकारी है ? तीसरी बात मैं यह पूछना चाहता हूं कि एडवान्स्ड कन्ट्रीज में जो ड्रग्ज प्रोहिबिटड हैं उनकी बिक्री हमारे देश में होती है ? इस संबंध में सरकार की पालिसी क्या है ? मैं चाहता हूं कि इन तीन बिन्दुओं पर आप सफाई दीजिए।

SHRI R. K. JAICHANDRA SINGH: Once the list of drugs belonging to the second list is drawn up, then the D.P.C.O. will come into effect. That is why the prices have not come down.

SHRI CHATURANAN MISHRA: Earlier also you had granted concession to the drug manufacturers. But the prices have not come down. In spite of the concessions given to the manufacturers, the prices have not come down. That is the fault of your pricing policy.

SHRI R. K. JAICHANDRA SINGH: In fact, it is informally informed that the prices of at least nine to ten drugs belonging to the essential core—the second category is to be drawn up—would come down substantially. But since the new DPCO has not come into existence, it will be too premature for me to say anything about this.

SHRI CHATURANAN MISHRA: I want your protection, Sir...

MR. CHAIRMAN: No, no. Next Question.

SHRI RAJNI RANJAN SAHU: Sir, I should be allowed ....

MR. CHAIRMAN: No more questions on this.

SHRI CHATURANAN MISHRA: 9 and 10 will mean nothing unless he names them.

SHRI RAJNI RANJAN SAHU: Sir, it is a very important matter. There should be a Half-an-Hour Discussion.

MR. CHAIRMAN: You will have to write to me a letter. I will consider it on merits.

Question No. 64

Setting up of power plants in the private sector

*64. SHRI D. B. CHANDRE GOWDA:†
SHRI MUKHTIAR SINGH MALIK:

Will the Minister of ENERGY be pleased to state:

(a) whether the Prime Minister has recently stressed the need for a review of the

†The question was actually asked in the floor of the House by Shri D. B. Chandre Gowda.